

Message Text

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ACTION ARA-20

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03

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EB-11 LAB-06 SIL-01 FEA-02 TRSE-00 INT-08 AGR-20

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R 152130Z MAR 74

FM AMEMBASSY BRIDGETOWN

TO SECSTATE WASHDC 6872

INFO AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY LONDON

AMEMBASSY NASSAU

AMEMBASSY PORT OF SPAIN

CINCLANT

COMCARIBSEAFRON

C O N F I D E N T I A L BRIDGETOWN 0465

CINCLANT FOR POLAD

E.O. 11652: ADS DECLAS 3/15/76

TAGS: GJ PINS PINT

SUBJ: GRENADA GOVERNMENT FACES FINANCIAL CRISIS OWING TO PORT
STRIKE

REF: BRIDGETOWN 0416 AND 0455

BEGIN SUMMARY: PM GAIRY ESTIMATES REVENUES LOST DURING CURRENT
PORT STRIKE AT EC DOLS 100 MILLION. FACED WITH SEVERE FINANCIAL
CRISIS, GOG PLANNING CUTS IN CIVIL SERVICE AND SEEKING BUDGETARY
AID FROM UK AND US. GRENADA DOCK WORKERS GAIN ADDITIONAL SUPPORT
AND SEEK TO BLOCK GOG'S PURCHASE OF FUEL FROM VENEZUELA.

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CARRIACOU RENEWS DEMAND FOR COMPLETE AUTONOMY. GOG SCHEDULES

BY-ELECTION TO FILL TWO VACANT SEATS IN HOUSE OF ASSEMBLY. END SUMMARY.

1. GOG IS FACING SEVERE FINANCIAL CRISIS OWING TO CONTINUING SHUT DOWN OF PORT BY STRIKING SEAMEN AND WATERFRONT WORKERS' UNION (SWWU). IN RADIO BROADCAST MARCH 8, HIS FIRST SINCE INDEPENDENCE, PM GAIRY CLAIMED ISLAND HAS LOST ESTIMATED EC DOLS 100 MILLION IN REVENUES OWING TO PORT STRIKE AND THAT MANY WORKERS HAVE LOST JOBS, SOME PERMANENTLY. HE REPORTEDLY DIRECTED BITTER CRITICISMS AT SWWU AS WELL AS CHURCH LEADERS, WHOM HE CLAIMS HAVE ASSOCIATED THEMSELVES WITH "REBELS."

2. PRESS SPECULATES GAIRY PLANNING VISIT LONDON TO RENEW EFFORTS TO OBTAIN BUDGETARY AID FROM HMG, SINCE FINANCE MINISTER GEORGE HOSTEN EVIDENTLY UNSUCCESSFUL IN OBTAINING SUCH ASSISTANCE DURING HIS VISIT TO LONDON THREE WEEKS AGO. GAIRY HAS ALSO ASKED FOR MEETING FOR HOSTEN WITH USG OFFICIALS IN WASHINGTON TO DISCUSS QUESTION OF BILATERAL AID (BRIDGETOWN 0455). MEANWHILE, GOG HAS REPORTEDLY ANNOUNCED PLAN TO CUT SIZE OF CIVIL SERVICE, AND GOG OFFICIALS MET WITH OFFICERS OF CIVIL SERVICE ASSOCIATION MARCH 12 TO DISCUSS PLANNED RETRENCHMENT. APPARENTLY IN RESPONSE TO "GO SLOW" BY CSA IN PROTEST OVER DELAYED SALARY PAYMENTS, GOG HAS REPORTEDLY STATED THAT CIVIL SERVANTS GUILTY OF INDISCIPLINE WILL BE FIRST TO GO. SOME CIVIL SERVANTS RECEIVED FEBRUARY SALARIES ON MARCH 12, BUT OTHERS CLAIM THEY HAVE RECEIVED NO OR ONLY PARTIAL PAYMENT FOR PAST TWO MONTHS.

3. MEANWHILE GRENADA SWWU AND TRINIDAD OILFIELD WORKERS' TRADE UNION (OWTU) HAVE MOVED TO BLOCK VENEZUELAN OIL SHIPMENTS TO GRENADA. ACCORDING TO PRESS, OWTU PRESIDENT GEORGE WEEKES SENT CABLE MARCH 12 TO LUIS TOVAR, PRESIDENT OF INTERNATIONAL FEDERATION OF PETROLEUM AND CHEMICAL WORKERS (IFPCW) IN CARACAS, ASKING HIM TO PREVENT SHIPMENTS OF VENEZUELAN OIL TO GRENADA. GRENADA NEW JEWEL MOVEMENT SECRETARY UNISON WHITEMAN ADDRESSED OWTU ANNUAL CONFERENCE ON MARCH 10. GEORGE GRIFFITH OF GOG'S EXTERNAL AFFAIRS OFFICE TOLD POLOFF MARCH 14 THAT SWWU GENSEC ERIC PIERRE ALSO CABLED MANAGERS OF TEXACO, ESSO AND SHELL IN TRINIDAD WARNING THEM NOT TO PARTICIPATE IN EFFORTS TO CIRCUMVENT EMBARGO ON GRENADA-BOUND OIL SUPPLIES. WARNING APPARENTLY INTENDED TO DISCOURAGE COMPANIES FROM USING THEIR FACILITIES IN CONFIDENTIAL

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GRENADA TO STORE VENEZUELAN OIL. ACCORDING TO GRIFFITH, UNIONS' EFFORTS TO BLOCK VENEZUELAN SHIPMENTS MAY BE SUCCESSFUL. GOG ESTABLISHED LETTER OF CREDIT WITH GOV LAST WEEK FOR INITIAL PURCHASE OF 55,000 GALS, BUT THUS FAR, ACCORDING TO GRIFFITH, HAS RECEIVED NO WORD ON WHEN OIL WOULD BE SHIPPED. OIL COMPANY MANAGERS IN GRENADA ANNOUNCED LAST WEEK THEIR SUPPLIES EXHAUSTED, AND DIESEL FOR ELECTRICITY PLANT EXPECTED TO RUN OUT BY MARCH 18. MEANWHILE, BRITISH SEAFARERS UNION IN LONDON REPORTEDLY CABLED

GRENADA SWWU THAT IT WOULD SUPPORT STRIKE BY REFUSING TO ALLOW ITS MEMBERS TO SAIL ON GRENADA-BOUND GEEST CO. SHIPS. (GEEST IS SOLE MARKETER OF GRENADA BANANAS, BUT GEEST SHIPS HAVE NOT CALLED AT GRENADA SINCE STRIKE BEGAN.)

4. SWWU LEADERS WERE SCHEDULED TO MEET WITH GOG OFFICIALS MARCH 12 BUT REPORTEDLY CANCELLED MEETING AT LAST MOMENT SAYING THEY WOULD NOT MEET UNTIL GOG WORKMEN HAVE COMPLETED REPAIR OF OTWAY HOUSE, UNION HEADQUARTERS WHICH WAS EXTENSIVELY DAMAGED DURING JANUARY 21 CLASH BETWEEN GOVERNMENT SUPPORTERS AND OPPOSITION DEMONSTRATORS. SWWU THOUGHT TO BE RECEIVING FINANCIAL ASSISTANCE FROM UNIONS IN TRINIDAD AND ELSEWHERE TO ENABLE IT TO CONTINUE STRIKE. ACCORDING TO PRESS, SWWU SPOKESMAN CLAIMED UNION'S RANK AND FILE MORE ADAMANT IN THEIR STANCE FOLLOWING SHARPLY CRITICAL REMARKS MADE BY PM GAIRY IN HIS MARCH 8 RADIO BROADCAST.

5. IN MIDST OF ALL ITS OTHER DIFFICULTIES, GOG ALSO FACED WITH SECESSIONIST DEMANDS FROM PEOPLE OF CARRIACOU. DEMONSTRATIONS IN SUPPORT OF SECESSION REPORTEDLY TOOK PLACE IN CARRIACOU MARCH 9-10, AND DEMONSTRATION LEADERS QUOTED AS SAYING CARRIACOUANS WOULD BE SATISFIED WITH NOTHING LESS THAN COMPLETE AUTONOMY. GOG PARLIAMENTARY SECRETARY FOR CARRIACOU AFFAIRS, MICHAEL CAESAR, HAS REPORTEDLY RESPONDED WITH LETTER PROMISING GOG WILL TAKE NECESSARY STEPS TO GIVE CARRIACOU LOCAL GOVERNMENT, BUT SHORT OF COMPLETE AUTONOMY.

6. GOG HAS SET APRIL 5 AS DATE FOR BY-ELECTION TO FILL TWO VACANT SEATS IN HOUSE OF ASSEMBLY. NORMAN DE SOUZA, A BUSINESSMAN, HAS BEEN NOMINATED AS RULING GRENADA UNITED LABOR PARTY (GUP) CANDIDATE TO CONTEST EAST ST. GEORGE'S SEAT VACATED BY RESIGNATION OF ATTORNEY GENERAL ARMAN WILLIAMS LAST FALL. ANNOUNCEMENT OF GUP CANDIDATE FOR ST. PATRICK'S WEST SEAT, VACATED BY RESIGNATION LAST SUMMER OF FORMER OPPOSITION GRENADA

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NATIONAL PARTY (GNP) MEMBER, WELLINGTON FRIDAY, IS EXPECTED SOON. ACCORDING TO A GOG OFFICIAL, POPULAR YOUTH MINISTER WINSTON WHYTE, WHO LOST TO FRIDAY BY ONE VOTE IN 1972 ELECTION, WILL NOT BE NOMINATED, APPARENTLY BECAUSE GAIRY DOES NOT WANT WHYTE TO DEVELOP HIS OWN INDEPENDENT BASE OF POLITICAL SUPPORT. WITH NOMINATIONS SCHEDULED TO CLOSE MARCH 18, NO OPPOSITION CANDIDATES HAVE YET BEEN NAMED.

7. COMMENT: IN VIEWS OF GEORGE GRIFFITH AND OTHERS WE HAVE TALKED WITH IN RECENT DAYS, VIOLENT CLASHES COULD AGAIN ERUPT IN GRENADA, PARTICULARLY AS GAIRY SUPPORTERS AMONG BANANA AND NUTMEG WORKERS GROW INCREASINGLY ANGRY AT SWWU'S HOLDING ENTIRE COUNTRY TO RANSOM. GAIRY AND GOG, APPARENTLY INTIMIDATED BY PROSPECT THAT CRACKDOWN AGAINST SWWU WOULD ONLY TIGHTEN EMBARGO, HAVE BEEN ALL BUT POWERLESS IN AVERTING ITS OWN FINANCIAL RUIN.

GROWING OFFERS OF SUPPORT, BOTH MORAL AND FINANCIAL, APPEARS TO

HAVE RENEWED SWWU'S RESOLVE TO CONTINUE STRIKE UNTIL GAIRY RESIGNS OR AGREES TO NEW ELECTIONS. GAIRY, FOR ALL THE RESTRAINT HE HAS APPARENTLY SHOWN SINCE INDEPENDENCE, HAS MADE NO REAL EFFORT TO CONCILIATE OPPOSITION DEMANDS, EVIDENTLY HOPING THAT IN TIME HIS REMAINING OPPONENTS WILL ALSO GROW WEARY AND RETREAT. AT THE SAME TIME HIS PUBLIC REMARKS, WHICH OPPOSITION REGARDS WITH SOME JUSTIFICATION AS INFLAMMATORY, HAVE PLACED FURTHER OBSTACLES IN PATH TO RECONCILIATION.
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